

2013 DRAFTING REQUEST

Bill

Received: **3/15/2013** Received By: **rchampag**
Wanted: **As time permits** Same as LRB:
For: **Duey Stroebel (608) 267-2369** By/Representing: **John**
May Contact: Drafter: **rchampag**
Subject: **Employ Pub - retirement** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email: **rep.stroebel@legis.wisconsin.gov**
Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Increase Final Average Earnings Factor to 5 years

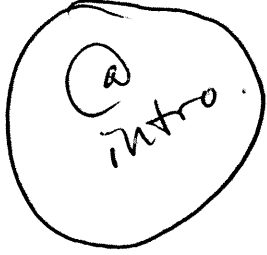
Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rchampag 3/17/2013			_____			
/1	rchampag 3/18/2013	jdyer 3/18/2013	jfrantze 3/18/2013	_____	lparisi 3/18/2013		State S&L Retire
/2		jdyer 3/18/2013	jmurphy 3/18/2013	_____	sbasford 3/18/2013	sbasford 10/17/2013	State S&L Retire

FE Sent For:



<END>

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*Don't have bill take effect until 5 years & gys
to start when terminate in 5 years.*

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	rchampag	1/3/18 jld	7/6	3/18			

FE Sent For:

<END>



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1912/1

RAC: A:...

John

2013 BILL

jk

- Sen. Cal

4

- 1 AN ACT ...; relating to: determination of final average earnings for the purpose
2 of calculating Wisconsin Retirement System annuities.✓

Analysis by the Legislative Reference Bureau

Under current law, when a participant in the Wisconsin Retirement System (WRS) terminates covered employment and becomes eligible for an annuity, the annuity is calculated in one of two ways. The first way is based on the participant's final average earnings, the participant's number of years of creditable service, and a percentage multiplier. The final average earnings is a monthly rate of earnings that is calculated based on the three annual earnings periods in which the participant's earnings were highest. The second way is to calculate the amount of a money purchase annuity, which is determined based on the sum of a participant's accumulated required and additional contributions plus an amount that equals the participant's accumulated required contributions. The Department of Employee Trust Funds must pay an annuity based on the method that generates the higher annuity amount.✓

This bill revises the methodology of the first way in which a WRS annuity is calculated by providing that the final average earnings must be based on the five highest annual earnings periods instead of the three highest annual earnings periods. Under the bill, this change takes effect on the first day of the 60th month beginning after publication and applies to participants who terminate WRS covered employment on or after the first day of the 60th month beginning after publication.✓

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.✓

BILL

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 40.02 (33) (a) 1. of the statutes is amended to read:

40.02 (33) (a) 1. The participant's total earnings received or considered to be received under sub. (22) (e), (ef), or (em) and for which contributions are made under s. 40.05 (1) and (2) during the ~~3~~⁵ annual earnings periods (excluding any period more than 3 years prior to the effective date for any participating employer) in which the earnings were the highest, subject to the annual compensation limits under 26 USC 401 (a) (17) for a participating employee who first becomes a participating employee on or after January 1, 1996; by

History: 1981 c. 96, 187, 250, 274, 386; 1983 a. 9, 27; 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 106, 140; 1983 a. 141 ss. 1 to 3, 20; 1983 a. 191 ss. 1, 6; 1983 a. 192 s. 304; 1983 a. 255 s. 6; 1983 a. 275, 290, 368; 1983 a. 435 s. 7; 1985 a. 29, 225; 1985 a. 332 ss. 52, 251 (1); 1987 a. 27, 62, 83, 107, 309, 340, 356, 363, 372, 399; 1987 a. 403 ss. 43 to 45, 256; 1989 a. 13, 14, 31; 1989 a. 56 s. 259; 1989 a. 166, 182, 189, 218, 230, 240, 323, 327, 336, 355, 357, 359; 1991 a. 32, 39, 113, 152, 229, 269, 315; 1993 a. 16, 263, 383, 490, 491; 1995 a. 27, ss. 1946 to 1953, 9130 (4); 1995 a. 81, 88, 89, 216, 240, 302, 381, 417; 1997 a. 3, 27, 39, 69, 110, 162, 237, 238; 1999 a. 9, 11, 42, 63, 65, 83; 2001 a. 16, 38, 103, 104, 109; 2003 a. 33; 2005 a. 153, 335; 2007 a. 20, 131, 226; 2009 a. 15, 28; 2011 a. 7, 10, 32, 116, 229; s. 37.17 correction in (22) (a), (48g).

SECTION 2. 40.02 (33) (a) 2. of the statutes is amended to read:

40.02 (33) (a) 2. Twelve times the total amount of creditable service for the ~~3~~⁵ periods.

History: 1981 c. 96, 187, 250, 274, 386; 1983 a. 9, 27; 1983 a. 81 s. 11; 1983 a. 83 s. 20; 1983 a. 106, 140; 1983 a. 141 ss. 1 to 3, 20; 1983 a. 191 ss. 1, 6; 1983 a. 192 s. 304; 1983 a. 255 s. 6; 1983 a. 275, 290, 368; 1983 a. 435 s. 7; 1985 a. 29, 225; 1985 a. 332 ss. 52, 251 (1); 1987 a. 27, 62, 83, 107, 309, 340, 356, 363, 372, 399; 1987 a. 403 ss. 43 to 45, 256; 1989 a. 13, 14, 31; 1989 a. 56 s. 259; 1989 a. 166, 182, 189, 218, 230, 240, 323, 327, 336, 355, 357, 359; 1991 a. 32, 39, 113, 152, 229, 269, 315; 1993 a. 16, 263, 383, 490, 491; 1995 a. 27, ss. 1946 to 1953, 9130 (4); 1995 a. 81, 88, 89, 216, 240, 302, 381, 417; 1997 a. 3, 27, 39, 69, 110, 162, 237, 238; 1999 a. 9, 11, 42, 63, 65, 83; 2001 a. 16, 38, 103, 104, 109; 2003 a. 33; 2005 a. 153, 335; 2007 a. 20, 131, 226; 2009 a. 15, 28; 2011 a. 7, 10, 32, 116, 229; s. 37.17 correction in (22) (a), (48g).

SECTION 3. Initial applicability.

(1) This act first applies to participating employees in the Wisconsin Retirement system who terminate covered employment on the effective date of this subsection.

SECTION 4. Effective date.

(1) This act takes effect on the 60th month beginning after publication.

(END)



D-Note
State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1912/✓ 2
RAC:jld:jf

TODAY

RMR

2013 BILL

-regen cal.

- 1 AN ACT *to amend* 40.02 (33) (a) 1. and 40.02 (33) (a) 2. of the statutes; **relating**
2 **to:** determination of final average earnings for the purpose of calculating
3 Wisconsin Retirement System annuities.

Analysis by the Legislative Reference Bureau

Under current law, when a participant in the Wisconsin Retirement System (WRS) terminates covered employment and becomes eligible for an annuity, the annuity is calculated in one of two ways. The first way is based on the participant's final average earnings, the participant's number of years of creditable service, and a percentage multiplier. The final average earnings is a monthly rate of earnings that is calculated based on the three annual earnings periods in which the participant's earnings were highest. The second way is to calculate the amount of a money purchase annuity, which is determined based on the sum of a participant's accumulated required and additional contributions plus an amount that equals the participant's accumulated required contributions. The Department of Employee Trust Funds must pay an annuity based on the method that generates the higher annuity amount.

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BILL

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For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 40.02 (33) (a) 1. of the statutes is amended to read:

40.02 (33) (a) 1. The participant's total earnings received or considered to be received under sub. (22) (e), (ef), or (em) and for which contributions are made under s. 40.05 (1) and (2) during the ~~35~~ ^{5 ← number} annual earnings periods (excluding any period more than ~~3~~ years prior to the effective date for any participating employer) in which the earnings were the highest, subject to the annual compensation limits under 26 USC 401 (a) (17) for a participating employee who first becomes a participating employee on or after January 1, 1996; by

SECTION 2. 40.02 (33) (a) 2. of the statutes is amended to read:

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(END)

d-note
↓

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1912/2dn
RAC:jld:jf

date

This version makes a minor technical change in s. 40.02 (33) (a) 1.[✓] and the Initial Applicability section.

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1912/2dn
RAC:jld:jm

March 18, 2013

This version makes a minor technical change in s. 40.02 (33) (a) 1. and the Initial Applicability section.

Rick A. Champagne
Senior Legislative Attorney
Phone: (608) 266-9930
E-mail: rick.champagne@legis.wisconsin.gov

Barman, Mike

From: Soper, John
Sent: Thursday, October 17, 2013 1:44 PM
To: LRB.Legal
Subject: Draft Review: LRB -1912/2 Topic: Increase Final Average Earnings Factor to 5 years

Please Jacket LRB -1912/2 for the ASSEMBLY.